



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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June 23, 2008

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To: Supervisor Yvonne B. Burke, Chair  
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Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", written over the printed name.

### **MOTION TO SUPPORT H.R. 5887 (McKEON, R-CA) RELATED TO THE SOLEDAD CANYON MINE ACT (ITEM NO. 36-B, AGENDA OF JUNE 24, 2008)**

Item No. 36-B on the June 24, 2008 Agenda is a motion by Supervisor Antonovich to support H.R. 5887 and send a five-signature letter to Congressman Howard "Buck" McKeon, the Southern California Congressional Delegation, members of the House and Senate Subcommittees on Energy and Mineral Resources, and the Santa Clarita and Victorville City Councils indicating the Board's support of H.R. 5887.

Transit Mixed Concrete Corporation (TMC) originally received contractual rights from the BLM to mine a site in Soledad Canyon for sand and gravel. In 1990, TMC assigned the mining rights under the contracts to CEMEX, which currently holds these BLM contracts as the successor in interest to TMC. The contracts permit CEMEX to extract 56 million tons of sand and gravel from the site over a maximum period of 20 years. The City of Santa Clarita subsequently objected to CEMEX's plan to increase the mining of Soledad Canyon beyond 300,000 tons per year.

In February 2007, the City of Santa Clarita and CEMEX agreed to work collaboratively to find a mutually acceptable solution. Eventually, the City of Santa Clarita and CEMEX signed an agreement which included the potential to seek federal legislation. Congressman Howard "Buck" McKeon introduced H.R. 5887 to end the lengthy dispute.

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As introduced on April 24, 2008, H.R. 5887, the Soledad Canyon Mine Act, would cancel two contracts CEMEX USA (CEMEX) holds with the United States Bureau of Land Management (BLM) for large-scale mining in the Soledad Canyon area. In exchange, CEMEX would be provided BLM-controlled land in Victorville equivalent to the value of these contracts. CEMEX would subsequently sell the land. While the legislation does not limit the subsequent sell of the land to the City of Victorville, an agreement has been reached between CEMEX and the City of Victorville for such purposes. Such a sale would be a separate agreement between those parties.

This legislation would cancel CEMEX's existing Soledad Canyon mining contracts with the BLM and would assure Santa Clarita and neighboring landowners that the potential for future mining in Soledad Canyon would be prohibited. The measure would compensate CEMEX for the company's investment in the Soledad Canyon contracts by providing the company with designated Federal land of equal value in the Victorville area. CEMEX has no plans to mine the property near Victorville, and as previously noted, has an agreement with the City of Victorville to sell this property in accordance with local land use and economic development goals.

H.R. 5887 does not set the value of the contracts. Instead, it would establish a process overseen by the United States Secretary of the Interior (Secretary) to determine the value of the company's investment in the cancelled contracts. Within six months after the valuation process is completed, the Secretary would provide CEMEX with designated BLM land in the Victorville area that would be equal to the value the Secretary has determined CEMEX invested in its proposed Soledad Canyon mining operation.

If the Secretary determines the value of the cancelled contracts exceeds the value of the designated BLM land near Victorville, the Secretary could provide additional compensation to CEMEX. If CEMEX and the Secretary fail to reach agreement on the valuation of the investment in the cancelled contracts or the Victorville land, the bill would require the Secretary to turn the issue over to the United States Court of Federal Claims for resolution.

**There is no existing County policy to support H.R. 5887. Therefore, support for H.R. 5887 is a matter for Board policy determination.**

This measure is supported by CEMEX and the cities of Santa Clarita and Victorville. The bill has been referred to the House Natural Resources Subcommittee on Energy and Mineral Resources. There is no known opposition.

WTF:GK  
MAL:DD:mp

c: Executive Officer, Board of Supervisors  
County Counsel  
Regional Planning